

EXHIBIT B

As Gonno Lease

LA 90-145

FILE NO. 90-3720

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS P 2: 01
SAIPAN, MARIANA ISLANDS

LEASE AGREEMENT

1990 4 PAGE 141
COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
RECORDED

This Lease Agreement, made this 21st day of September, 1990, on Saipan, Mariana Islands, by and between the MARIANAS PUBLIC LAND CORPORATION, its successors and assigns, hereinafter called the "Corporation", whose offices are located at Capitol Hill, Saipan, Mariana Islands, and MICRONESIAN TELECOMMUNICATIONS CORPORATION, its successors and assigns, hereinafter called "Lessee".

The parties agree as follows:

ARTICLE 1. GRANT OF PREMISES

The Corporation leases to the Lessee the described real property known as Lot No. 021 K 01, located in As-Gonno, Saipan, Commonwealth of the Northern Mariana Islands, containing an area of 929 square meters, more or less, as shown on Drawing/Cadastral Plat No. 021 K 00, Commonwealth Recorder's File No. 90-3720, approved September 18, 1990, attached as Exhibit "A" which is incorporated herein and made part hereof by reference, together with all existing improvements thereon and appurtenances thereto, herein called the "Premises".

ARTICLE 2. PURPOSE

The property shall be used, except with the written consent of the Corporation, only for the purpose of constructing, operating, and maintaining facilities for the exchange, switching

MARIANAS PUBLIC LAND CORPORATION
P.O. Box 380
Saipan, Northern Mariana Islands 96950

and transmission of telecommunication as well as a base yard for the storage of supplies, vehicles and maintenance equipment.

ARTICLE 3. TERM

The term of this Lease shall be for a period of twenty-five (25) years unless otherwise terminated pursuant to applicable provisions of this Lease. The leasehold term shall commence on the first day of the month on which the Lease is executed.

ARTICLE 4. GRANT TO EXTEND

The Corporation grants the Lessee an extension of this Lease for one (1) additional term of fifteen (15) years subject to all of the terms and provisions set forth in this Lease; provided, however, that this extension for an additional fifteen (15) years shall be subject to the approval by the Northern Marianas Commonwealth Legislature as provided for under Article XI, Section (c) of the Constitution of the Northern Mariana Islands.

ARTICLE 5. RENTAL

The Lessee, in consideration of the foregoing, covenants and agrees to pay to the Corporation, in the manner prescribed herein in lawful money of the United States, annually as rent for the Premises leased hereby the following rentals:

A. GUARANTEED ANNUAL RENTAL

<u>PERIOD</u>	<u>AMOUNT</u>
1st Five Year Period	\$3,680.33
2nd Five Year Period	\$3,974.75

MARIANAS PUBLIC LAND CORPORATION
P.O. Box 380
Saipan, Northern Mariana Islands 96950

3rd Five Year Period \$4,292.73

4th Five Year Period \$4,636.15

5th Five Year Period \$5,007.04

The above annual rental shall be paid quarterly in advance.

B. Gross Receipt Rental. In addition to the guaranteed minimum annual rental provided for above, the Lessee shall pay to Corporation in the manner prescribed herein any surplus resulting from subtracting the minimum annual rental from three percentage (3%) of the gross receipts and as further defined in Article 35 H hereof.

This additional amount, if any, shall be paid quarterly, within forty-five (45) days from the end of the quarter, with adjustments, if any, to be made at the end of every calendar year upon the submission of the annual certified financial statements as provided in Article 8 hereof. A copy of the CNMI Business Gross Revenue Tax Quarterly Return must be submitted quarterly together with the computation of the quarterly gross receipts rental to substantiate the additional payment or non-payment.

C. Manner of Payment. The Lessee shall discharge its obligation of payment under this Article by depositing the payments required under this Article with the Marianas Public Land Corporation Office, located at Capitol Hill, Saipan, Mariana Islands, or in such manner as the Corporation may from time to time designate in writing.

D. Time and Payment; Interest. All rents payable pursuant to the terms of this Lease Agreement shall be deemed to have commenced from the first day of the month of execution of this

MARIANAS PUBLIC LAND CORPORATION
P.O. Box 380
Saipan, Northern Mariana Islands 96950

1 Lease and shall be paid without prior notice or demand. Past due
2 rental shall bear interest at one percent (1%) per month
3 compounded monthly, from the date it becomes due until paid.
4 This provision shall not be construed to relieve the Lessee from
5 any default in making any rental payment at the time and in the
6 manner herein specified.

7 ARTICLE 6. APPRAISAL AND DETERMINATION OF RENTAL AFTER EACH
8 TEN YEARS

9 Notwithstanding the provision under Article 5A, at the end of
10 each ten (10) year period of this Lease Agreement or renewal or
11 extension thereof, the guaranteed annual rental payable by the
12 Lessee to the Corporation for the next two five-year period shall
13 be based upon eight (8%) percent of the appraised fair market
14 value of the unimproved land or as provided for under Article 5A
15 whichever is greater utilizing the land residual method of
16 appraisal.

17 The appraised market value will be determined by an
18 independent appraiser who must be a member of a nationally
19 accepted appraisal society, to be selected by the agreement
20 between the Corporation and the Lessee. In the event that the
21 Corporation and the Lessee cannot reach an agreement on the
22 selection of the appraiser, the appraiser will be selected by
23 the Chief Justice or Associate Justice of the Commonwealth
24 Supreme Court. The cost of the appraisal will be borne by the
25 Lessee.
26

MARIANAS PUBLIC LAND CORPORATION
P.O. Box 380
Saipan, Northern Mariana Islands 96950

ARTICLE 7. ANNUAL REPORTS AND AUDIT

1 The Lessee shall; not later than forty-five (45) days after
2 the end of each calendar year of this Lease Agreement, submit to
3 the Corporation U.S. CPA audited financial statements to include
4 a schedule of gross receipts indicating sources and deductions
5 in support of the gross receipts rental requirement under
6 Article 6B. Any duly authorized representative of the
7 Corporation shall have access to and the right to examine and
8 audit any or all pertinent books, documents, papers and records
9 of the Lessee and its sublessee and concessionaires relating to
10 this Lease Agreement during the normal business hours of any
11 working days. Lessee shall insert a similar provision in all
12 subleases pertaining to this right of access, examination, and
13 audit and shall make available to said representative(s) or
14 agent(s) all books and records of the Lessee or its sublessees
15 and concessionaires which may be requested or may be necessary
16 for completion of a special audit of any or all activities or
17 enterprises conducted on the Premises.

18 The Lessee shall keep and maintain its accounting and
19 bookkeeping system in accordance with generally accepted
20 accounting principles applicable to the industry. The Lessee
21 shall keep its accounting books and records at all times in the
22 English language.

ARTICLE 8. PERMITS, CONSTRUCTION PLANS, AND SPECIFICATIONS

23 A. Permits. The Lessee agrees and covenants that within
24 three (3) months from commencement of this Lease Agreement, it
25 will at its own expense and risks secure all required CNMI
26

MARIANAS PUBLIC LAND CORPORATION
P.O. Box 380
Saipan, Northern Mariana Islands 96950

Government and applicable federal permits.

1 B. Construction Plans and Specifications. The Lessee
2 agrees and covenants that within six (6) months from commencement
3 of this Lease Agreement, it will submit complete construction
4 plans and specifications for construction of facilities and
5 structures authorized under Article. Upon submittal by the
6 Lessee, the Corporation has fifteen (15) working days to review
7 the submitted construction plans and specifications and to
8 notify the Lessee of approval or disapproval of the submitted
9 plans. In the event that changes are necessary, the Corporation
10 shall give the Lessee reasonable time to make necessary changes
11 to the plans for resubmittal to the Corporation. If the
12 Corporation does not notify the Lessee in writing of the status
13 of the submitted plans within the thirty (30) working days review
14 period, then the submitted plans and specifications are deemed
15 approved.

16
17 ARTICLE 9. CONSTRUCTION SCHEDULE

18 The Lessee agrees and covenants that within seven (7) months
19 from commencement date of this lease agreement, it will at its own
20 cost, risk and expense, commence construction of facilities and
21 improvements in accordance with the approved plans as required
22 under Article 8B and will diligently pursue its construction and
23 said construction must be completed no later than twenty four
24 (24) months from the commencement date of the Lease Agreement
25 subject to excused delay of performance as provided in Article
26 10.

MARIANAS PUBLIC LAND CORPORATION
P.O. Box 380
Saipan, Northern Mariana Islands 96950

MARIANAS PUBLIC LAND CORPORATION
P.O. Box 380
Saipan, Northern Mariana Islands 96950

ARTICLE 10. EXCUSED DELAY OF PERFORMANCE

1 Whenever under this Lease Agreement a time is stated within
2 which or by which original construction, repairs, reconstruction
3 or other performance by the Lessee shall be commenced or be
4 completed, and a failure or delay in such performance is due,
5 in whole or in part, to fire, explosion, earthquake, storm,
6 flood, drought or other unusually severe weather conditions,
7 accident, breakdown of machinery or facilities, strike, lockout,
8 combination of workmen, war, insurrection, riot, act of God or
9 the public enemy, or any contingency or delay or failure or cause
10 of any nature beyond the reasonable control of either party,
11 whether or not of the kind hereinbefore specified and whether or
12 not any such contingency is presently occurring or occurs in the
13 future, and such failure or delay does not result from the fault
14 or negligence of the Lessee, the period of delay so caused shall
15 be added to the period allowed herein for the completion of such
16 work provided, however, the Lessee shall notify the Corporation
17 in writing within thirty (30) days after the occurrence of any of
18 the above events.

19
20 ARTICLE 11. CONSTRUCTION, MAINTENANCE, REPAIR, ALTERATION

21 All improvements placed on the Premises shall be constructed
22 in good and workmanlike manner and in compliance with applicable
23 laws, regulations, ordinances, and building codes. All portions
24 of buildings located upon the Premises exposed to perimeter
25 properties or to the public view shall present a pleasant
26 appearance and all service areas shall be screened from public

MARIANAS PUBLIC LAND CORPORATION
P.O. Box 380
Saipan, Northern Mariana Islands 96950

1 view. The Lessee shall, at all times during the term of this
2 Lease Agreement and at the Lessee's sole cost and expense,
3 maintain the Premises and all improvements thereon in good order
4 and repair and in a neat, sanitary and attractive condition.
5 Unless the same are to be promptly replaced with improvements
6 having at least an equal value, no removal or demolition of
7 improvements have a value in excess of \$25,000.00 shall take
8 place without the prior written consent of the Corporation. No
9 additions having a value in excess of \$25,000.00 shall be
10 constructed on the Premises without the prior written consent of
11 the Corporation. The consent may be conditioned by the
12 Corporation upon an amendment to Article 5 and the other terms of
13 the Lease. The Lessee shall indemnify and hold harmless the
14 Corporation against liability for all claims arising from the
15 Lessee's failure to maintain the Premises and the improvements
16 situated thereon as hereinabove provided, or from the Lessee's
17 violation of any law, ordinance, or regulation applicable
18 thereto.

18 ARTICLE 12. SUBLEASE, ASSIGNMENT, TRANSFER, CONCESSIONS

19 (a) Except with the prior consent in writing of the
20 Corporation in each instance, Lessee shall not, with respect to
21 development on the public land leased hereby:

- 22 (1) assign, sublease or transfer all or any
23 part of the Lessee's interest in or to the
24 Premises, or permit the Premises to be used
25 or occupied by others, or
26 (2) enter into a management contract or other

MARIANAS PUBLIC LAND CORPORATION
P.O. Box 380
Saipan, Northern Mariana Islands 96950

1 arrangement by which the Premises shall be
2 managed and operated by anyone other than
3 Lessee, or

4 (3) grant concessions, permits, or otherwise
5 contract for or permit any business or
6 commercial enterprise or activities to be
7 constructed or performed on the Premises
8 by any person other than the Lessee.

9 In addition, this lease shall not be assigned or transferred
10 by operation of law. In no event shall Lessee assign or
11 otherwise transfer this lease within five (5) years from the
12 date of its execution.

13 The consent by the Corporation to an assignment, transfer,
14 management contract, use, occupancy, permit, or subletting may be
15 granted, denied or made subject to such conditions as the
16 Corporation finds to be in the best interest of its
17 beneficiaries. No sublease, assignment, transfer, concession,
18 permit, or contract shall be valid without the approval of the
19 Corporation, and then only if the respective sublessee, assignee,
20 transferee, concessionaire, permittee, or other contracting party
21 agrees in writing that the provisions of this lease bind such
22 sublessee, assignee, transferee, concessionaire, permittee, or
23 contracting party.

24 Once given, the Corporation's consent shall not relieve
25 Lessee in any way from obtaining the prior consent in writing of
26 the Corporation to any further assignment, transfer, management
contract, use, occupancy, or subletting.

For purposes of this section, "Premises" includes any portion of the leased Premises or any improvement on the leased Premises, and "Lessee" includes Lessee's employees, successors, and assigns.

(b) If the sale, assignment, transfer, use, or other disposition of any of the issued and outstanding capital stock of Lessee (or of any successor or assignee of Lessee which is a corporation), or of the interest of any general partner in a partnership owning the leasehold estate created hereby, or of the interest of any member of a joint venture, syndicate, or other group which may collectively own such leasehold estate, shall result in changing the control of Lessee or such other corporation, partnership, joint venture, syndicate, or other group, then such sale, assignment, transfer, use, or other disposition shall be deemed an assignment of this lease and shall be subject to all the provisions of this lease with respect to assignments.

For the purposes of this Section, "control" of any corporation shall be deemed to be vested in the person or persons owing more than fifty percent (50%) of the voting power for the election of the Board of Directors of such corporation and "control" of a partnership, joint venture, syndicate, or other group shall be deemed to be vested in the person or person owing more than fifty percent (50%) of the general partner's interest in such partnership or of the total interest in such joint venture, syndicate, or other group. For purposes of determining control by a person, members of the family of a

MARIANAS PUBLIC LAND CORPORATION
P.O. Box 380
Saipan, Northern Mariana Islands 96950

MARIANAS PUBLIC LAND CORPORATION
P.O. Box 380
Saipan, Northern Mariana Islands 96950

1 assignor or transferor shall be included. For purposes of this
2 section, "members of the family" include a person's spouse,
3 grandparents, parents, brothers and sisters, nephews and nieces,
4 and children by adoption and by blood. Lessee shall furnish an
5 annual statement to the Corporation that includes the names and
6 addresses of all stockholders in any corporation or general
7 partners in any partnership holding this lease, showing the
8 number of shares of stock owned by each stockholder of such
9 corporation, or the respective interest of the partners in such
10 partnership, as the case may be. Such statement shall be signed
11 under oath by an officer of each corporation and by a general
12 partner of each partnership holding this lease.

13 (c) No assignment made with Corporation's consent shall be
14 effective until there shall have been delivered to Corporation
15 an executed counterpart of such assignment containing an
16 agreement, in recordable form, executed by the assignor and the
17 proposed assignee, in which the assignee assumes dues performance
18 of the obligations on the assignor's part to be performed under
19 this lease to the end of the leasehold term.

20 (d) If the Corporation consents to an assignment, it shall
21 assess a fee of five percent (5%) of the capital gain
22 attributable to the leased land. The term "capital gain" is
23 defined as the sale amount less the book value of all the
24 improvements and fixtures. Lessee shall pay the fee at closing
25 of the assignment.
26

ARTICLE 13. STATUS OF SUBLEASES

1 Termination of this Lease Agreement, in whole or in part, by
2 cancellation or otherwise, shall not serve to terminate
3 subleases, concessions, or subtenancies, but shall operate as an
4 assignment to the Corporation of any and all such sublease
5 concessions, and subtenancies.

ARTICLE 14. AGREEMENTS FOR UTILITY LINES

6
7 The Lessee shall have the right to enter into agreement with
8 public utility companies or with the Government of the
9 Commonwealth of the Northern Mariana Islands and/or any of its
10 agencies to provide utility services, including water,
11 electricity, telephone, television, and sewer line necessary to
12 the full enjoyment of the Premises and the development thereof in
13 accordance with the provisions of this Lease Agreement. Subject
14 to prior consultation with Lessee, the Corporation reserves the
15 authority to grant utility rights of way across the Premises.
16 The Lessee shall furnish to the Corporation executed copies
17 thereof together with a plat or diagram showing the true location
18 of the utility lines to be constructed in accordance therewith.

ARTICLE 15. RIGHTS-OF-WAY FOR UTILITY LINES

19
20 The Corporation hereby agrees to grant rights-of-way on, or
21 across public lands for utility lines necessary to the full
22 enjoyment of the Premises and the full development thereof.
23 Such rights-of-way are to be granted by the Corporation in
24 accordance with the approved general development and construction
25 plans.
26

MARIANAS PUBLIC LAND CORPORATION
P.O. Box 380
Saipan, Northern Mariana Islands 96950

ARTICLE 16. RIGHT OF MORTGAGE

1 The Lessee, its successors and assigns may, subject to the
2 express prior written approval of the Corporation, mortgage this
3 Lease Agreement and the Lessee's interest hereunder, provided
4 that no holder of any mortgage of this Lease Agreement or the
5 Lessee's interest hereunder, or any one claiming by, through or
6 under any such mortgage shall, by virtue thereof, except as
7 provided in Article 16 hereof, acquire any greater rights
8 hereunder than the Lessee, and no mortgage of this Lease
9 Agreement or the Lessee's interest hereunder, in whole or in
10 part, by the Lessee or the Lessee's successors or assigns shall
11 be valid, unless: (i) at the time of the making of such
12 mortgage, there shall be no default under any of the agreements,
13 terms, covenants and conditions to be performed by the Lessee
14 under this lease; (ii) such mortgage shall be subject to all the
15 agreements, terms, covenants and conditions of this Lease
16 Agreement, (iii) any such mortgage shall reserve to the
17 Corporation prior right, in the event of Lessee's default under
18 the same and after notice of the same character and duration as
19 required to be given to Lessee, to correct the default or to
20 purchase the same and terminate this Lease Agreement; and (iv)
21 such mortgage shall contain the following provisions:

22 "This instrument is executed upon condition that (unless
23 this condition be released or waived by the Corporation
24 or its successors in interest by an instrument in
25 writing) no purchaser or transferee of said Lease
26 Agreement at any foreclosure sale hereunder, or other

MARIANAS PUBLIC LAND CORPORATION
P.O. Box 380
Saipan, Northern Mariana Islands 96950

MARIANAS PUBLIC LAND CORPORATION
P.O. Box 380
Saipan, Northern Mariana Islands 96950

transfer authorized by law by reason of a default
hereunder where no foreclosure sale is required, shall,
as a result of such sale or transfer, acquire any right,
title or interest in or to said Lease Agreement or the
leasehold estate hereby mortgaged unless (i) the
Corporation shall receive written notice of such sale or
transfer of said Lease Agreement within fifteen (15) days
after the effective date of such sale or transfer and
(ii) a duplicate original copy of the instrument or
instruments used to effect such sale or transfer shall
be delivered to the Corporation within thirty (30) days
after the execution and delivery thereof."

Any mortgage entered into shall be strict compliance with
all applicable laws and regulations, including mortgage security
instrument laws, or applicable constitutional provisions, in
order to be valid and enforceable.

ARTICLE 17. RIGHTS OF LEASEHOLD MORTGAGEES

If the Lessee or the Lessee's successors or assigns shall
mortgage this Lease Agreement or its interest in the Premises,
in accordance with the provisions of this Lease Agreement, then
so long as any such leasehold mortgage, as hereinafter defined,
shall remain unsatisfied of record, the following provisions
shall apply:

A. Notice to Mortgagee. The Corporation shall serve upon
the Lessee any notice of default pursuant to the provisions of
Article 23 or any other notice under the provisions of or with

MARIANAS PUBLIC LAND CORPORATION
P.O. Box 380
Saipan, Northern Mariana Islands 96950

1 respect to this Lease Agreement. The Lessee shall thereafter
2 serve a copy of such notice upon the holder of the then existing
3 mortgage of this Lease Agreement or the Premises. Service of
4 such notice of default upon the Lessee shall be deemed as service
5 on the mortgagee who shall thereafter have the same period as
6 the Lessee for remedying the default or causing the same to be
7 remedied, as is given the Lessee after service of such notice
8 upon it.

9 B. Remedy. Such leasehold mortgagee of this Lease Agreement
10 or the Premises, in case the Lessee shall be in default
11 hereunder, shall, within the period and otherwise as herein
12 provided, have the right to remedy such default, or cause the
13 same to be remedied, and the Corporation shall accept such
14 performance by or at the instigation of such leasehold mortgagee
15 as if the same had been performed by the Lessee.

16 C. Diligent Prosecution. No default on the part of Lessee
17 in the performance work required to be performed, or acts to be
18 done, or conditions to be remedied, shall be deemed to exist, if
19 steps shall, in good faith, have been commenced promptly to
20 rectify the same and shall be prosecuted to completion with
21 diligence and continuity in accordance with Article 23, on
22 "Default", unless otherwise specified in this Lease Agreement.

23 D. Termination. Anything herein contained notwithstanding
24 while such leasehold mortgage remains unsatisfied of record, if
25 any event or events shall occur which shall entitle the
26 Corporation to terminate this Lease Agreement, and if before the
expiration of ninety (90) days after the date of service of

MARIANAS PUBLIC LAND CORPORATION
P.O. Box 380
Saipan, Northern Mariana Islands 96950

1 notice of termination by the Corporation all rent and other
2 payments herein provided for then in default is fully paid, and
3 shall have complied or shall be engaged in the work of complying
4 with all the other requirements of this Lease Agreement, if any,
5 then in default, then in such event the Corporation shall not be
6 entitled to terminate this Lease Agreement and any notice of
7 termination theretofore given shall be void and of no force or
8 effect, provided, however, nothing herein contained shall in any
9 way affect, diminish or impair the right of Corporation to
10 terminate this Lease Agreement or to enforce any other subsequent
11 default in the performance of any of the obligations of the
12 Lessee hereunder.

13 E. Notice of Termination. In the event of the termination
14 of this Lease Agreement prior to the natural expiration of the
15 term hereof, whether by summary proceedings to dispossess,
16 service of notice to terminate or otherwise, due to default of
17 the Lessee as provided in Article 20 hereof, or any other default
18 of the Lessee, the Corporation shall serve upon the holder of
19 the then existing mortgage on this Lease Agreement or the
20 Premises written notice of such termination. Nothing herein
21 contained shall release the Lessee from any of its obligations
22 under this Lease Agreement which may not have been discharged or
23 fully performed by any mortgage of this Lease Agreement or the
24 Premises, or its designee.

25 F. First Mortgage Only. Whenever reference is made herein
26 to the holder of the mortgage on this Lease Agreement or the
Premises, the same shall be deemed to refer only to the holder of

MARIANAS PUBLIC LAND CORPORATION
P.O. Box 380
Saipan, Northern Mariana Islands 96950

1 the first mortgage on this Lease Agreement or the Premises, if
2 any, as shown by last notice by registered mail given to the
3 Corporation. Any notice or other communication to any such
4 holder or mortgage shall be in writing and shall be served either
5 personally or by certified or registered airmail addressed to
6 such holder or mortgagee at his address appearing on such records
7 or at such other address as may have been designated by notice
8 in writing from such holder or mortgagee to the party serving
9 such notice of communications. Nothing contained in this Article
10 shall be construed so as to require the Corporation to serve
11 notices upon or recognize any leasehold mortgagees other than the
12 holder of such first mortgage on this Lease Agreement or the
13 Premises, as aforesaid.

14 ARTICLE 18. FIRE AND DAMAGE INSURANCE

15 The Lessee shall, from the effective date of this Lease
16 Agreement, carry fire and damage insurance with extended coverage
17 endorsements, jointly in the names of the Lessee and the
18 Corporation, covering the full insurable value of all
19 permanent improvements on the Premises, subject to appropriate
20 co-insurance provisions. The policy shall contain a clause
21 requiring that the Corporation be given thirty (30) days notice
22 prior to any cancellation or termination of the policy. A copy
23 of such policy or policies or an acceptable certificate shall be
24 deposited with the Corporation within thirty (30) days of the
25 same obtained by the Lessee. The Lessee shall pay all premiums
26 and other charges payable in connection with insurance carried by
the Lessee.

MARIANAS PUBLIC LAND CORPORATION
P.O. Box 380
Saipan, Northern Mariana Islands 96950

1 In the event of damage to any permanent improvement on the
2 Premises, the Lessee shall reconstruct such improvement in
3 compliance with applicable laws, ordinances, and regulations and
4 in accordance with the applicable provisions of this Lease
5 Agreement. Such reconstruction shall commence within six (6)
6 months after the damage occurs and shall be pursued diligently
7 and completed within one (1) year of the occurrence.

8 In the event of damage to the extent of seventy-five percent
9 (75%) or more of the total value of all permanent improvements on
10 the Premises during the last five (5) years of the term of this
11 Lease Agreement, the Lessee for ninety (90) days shall have
12 the option to agree to reconstruct the damaged improvement(s).
13 Should the Lessee fail to notify the Corporation in writing of
14 the exercise of its option to reconstruct within ninety (90) days
15 of the occurrence of damage, the Premises shall be cleared at the
16 Lessee's expense and upon completion of such clearing this Lease
17 shall terminate. In the event Lessee shall elect not to rebuild
18 damaged improvements during the last five year term of the lease,
19 all insurance proceeds accruing as a result of the fire or
20 damage, it is jointly agreed hereto, shall be for the sole
21 benefit of and made payable to the Corporation, or its lawful
22 successors and assigns. Any damages incurred or suffered by any
23 sublessee, assignee, mortgagee or otherwise as a result of such
24 termination shall be borne solely by the Lessee.

25 ARTICLE 19. NOTICES

26 All notices shall be made by personal delivery or

by registered or certified mail, addressed to the property party as follows:

CORPORATION: P. O. Box 380
Saipan, MP 96950

LESSEE: P. O. Box 306
Saipan, MP 96950

All notices to the Lessee or the Corporation shall be deemed delivered as of the date of the post mark of any mail notices properly addressed and registered by the U.S. Post Office provided that such notice and mail is properly addressed, as set forth above, contains sufficient postage and is registered.

ARTICLE 20. LIABILITY INSURANCE

Lessee covenants and agrees to save and keep harmless the Corporation against all liabilities, damages and claims to person or property, and in connection therewith, Lessee agrees to procure and maintain in force during the term of this Lease and any extension thereof, at its expense, public liability insurance, in companies authorized to do business in the Northern Mariana Islands, in a minimum amount of \$100,000 for each person injured, \$300,000 for any one accident, and \$300,000 for property damage or such higher amounts as the Corporation may reasonably require. Copies of such policies shall be delivered to the Corporation and shall contain a clause stating that at least thirty (30) days notice shall be given to the Corporation prior to cancellation or refusal to renew any such policies. Lessee agrees that if such insurance policies are not kept in force during the entire term of this Lease, the Corporation may procure the necessary insurance, pay the premium therefore, and

MARIANAS PUBLIC LAND CORPORATION
P.O. Box 380
Saipan, Northern Mariana Islands 96950

1 such premium shall be repaid to the Corporation immediately upon
2 the Corporation's demand.

3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
ARTICLE 21. CONDEMNATION

The Corporation and Lessee covenant and agree that in the event the whole property hereby leased shall be taken in condemnation proceedings or by any right of eminent domain, or otherwise, for public purposes, then and on the happening of any such event, the Corporation or Lessee, may terminate this Lease and the term hereby granted and all the rights of the Lessee hereunder, and the rent shall be paid up to the date of such condemnation or termination and any unearned rent paid in advance by the Lessee shall be refunded prorata. In the event any portion of the property hereby leased is condemned or taken by right of eminent domain or otherwise for public purposes, thereby rendering the leased property unsuitable for the purposes of Lessee as stated in Article 2 above, then and on the happening of such event Lessee may terminate this Lease and the term hereby granted and all the rights of the Lessee hereunder and the rent shall be paid up to the date of such termination or condemnation and any unearned rent paid in advance by the Lessee shall be refunded prorata. If Lessee does not terminate this Lease upon such event, then the rent shall be reduced in proportion of the land taken as such bears to the total area of land leased. The Corporation and the Lessee may each independently file separate claims in such proceedings for the purpose of having the value of their respective interests

MARIANAS PUBLIC LAND CORPORATION
P.O. Box 380
Saipan, Northern Mariana Islands 96950

MARIANAS PUBLIC LAND CORPORATION
P.O. Box 380
Saipan, Northern Mariana Islands 96950

1 determined, and the award shall be paid accordingly; but if the
2 public or governmental authorities shall object or refuse to
3 permit separate claims to be proved and/or distributed said award
4 in such manner, the Corporation will prosecute all claims for
5 damages to the Premises on behalf of both the Corporation and the
6 Lessee (and authority to do so is hereby granted), and after
7 deducting all reasonable expenses incurred by the Corporation
8 incident thereto, the balance of said award shall be divided
9 between the Corporation and the Lessee prorata in proportion to
10 their respective interests as established in that proceedings.
11 In the event the Corporation prosecutes the claim on behalf of
12 both parties hereto, all such awards shall be paid to the
13 Corporation for the account of the Corporation and Lessee as
14 hereinbefore provided.

14 ARTICLE 22. ABANDONMENT OF PREMISES

15 Should the Lessee fail to use the Premises for the purpose
16 set forth in this Lease Agreement for a consecutive period of
17 ninety (90) days without securing the written consent of the
18 Corporation, the Lessee shall be deemed to have abandoned the
19 Premises, so that in such event this Lease Agreement may, at the
20 option of the Corporation, be terminated pursuant to the
21 provisions of Article 20 hereof without further notice to the
22 Lessee.

23 ARTICLE 23. DEFAULT

24 Time is of the essence and Lessee shall automatically be in
25 default of this Lease if:
26

MARIANAS PUBLIC LAND CORPORATION
P.O. Box 380
Saipan, Northern Mariana Islands 96950

1 A. Lessee shall fail to pay any installment or rent hereby
2 required to be paid by Lessee within thirty (30) days
3 after the due date under the terms of this Lease.

4 B. Lessee shall breach any term, provision or covenant of
5 Lease, other than the payment of rent, taxes, or other
6 charges, and fails to commence the removal or curing
7 of such breach within thirty (30) days from and after
8 written notice from the Corporation.

9 C. Lessee shall become insolvent or adjudicated bankrupt.

10 D. Lessee abandons the Premises as provided in Article 22.

11 Any notices, as may be required by law or this Lease,
12 shall be delivered as provided by Article 19 of this Lease.

13 ARTICLE 24. REMEDIES

14 Upon the occurrence of any event of default specified in
15 Article 23, the Corporation may terminate this Lease and may,
16 upon fifteen (15) days written notice, enter in, into and upon
17 the leased premises and take possession of all buildings,
18 fixtures and improvements, and evict Lessee without liability of
19 trespass. The remedies herein shall not prejudice the
20 Corporation's other rights and remedies at law or equity.

21 ARTICLE 25. OPTION TO TERMINATE

22 In the event that the Lessee shall at any time be prevented
23 from utilizing the property for the purposes herein stated for
24 any reasons beyond the reasonable control of Lessee, such as but
25 not limited to, the failure of Lessee to receive the necessary
26 government licenses and permits required for earth clearing

1 and construction or by action by any government agency or
2 judicial decree preventing Lessee from utilizing the property for
3 the intended purpose, then and in such event, Lessee shall have
4 the option to terminate this Lease Agreement upon ninety (90)
5 days written notice to the Corporation.

6 ARTICLE 26. ACCORD AND SATISFACTION

7 No payment by Lessee or receipt by the Corporation of a
8 lesser amount than the annual rent herein stipulated shall be
9 deemed to be other than on account of rents due, nor shall any
10 endorsement or statement on any check or any letter accompanying
11 any check or payment of rent be deemed an accord and
12 satisfaction, and the Corporation may accept such check or
13 payment without prejudice to the Corporation's right to recover
14 the balance of such rent or pursue any other remedy provided in
15 this Lease. In the event that the rent or any other monies which
16 are due hereunder by Lessee are delinquent, the Corporation may,
17 upon the receipt of any payments, apply them to any account or
18 period it shall determine in its discretion.

19 ARTICLE 27. WAIVER OF BREACH

20 Waiver by the Corporation of any breach of any term,
21 covenant or condition herein contained shall not be deemed to be
22 a waiver of any subsequent breach of the same or any other term,
23 covenant or condition herein contained. The acceptance of rent
24 by the Corporation shall not be deemed to be a waiver of any of
25 the terms or conditions including the remedies of Corporation
26 hereof. No covenant herein shall be deemed to be waived by the

MARIANAS PUBLIC LAND CORPORATION
P.O. Box 380
Saipan, Northern Mariana Islands 96950

Corporation unless such waiver be in writing by the Corporation.

1 ARTICLE 28. EXPENSE OF ENFORCEMENT

2 If action be brought by the Corporation for rent or any other
3 sums of money due under this Lease Agreement, or if any action be
4 brought by either the Corporation or Lessee to enforce
5 performance of any of the covenants and/or conditions of this
6 Lease Agreement, the losing and defaulting party shall pay
7 reasonable attorney's fees to be fixed by the Court as a part of
8 the costs in any action.

9 ARTICLE 29. INDEMNITY

10 Lessee will hold the Corporation harmless from any claim or
11 demand by third persons for damage, including claims for property
12 damage, personal injury or wrongful death, arising out of
13 any accident on or about the demised premises, or occasioned by
14 any nuisance made or suffered on the Premises, or by any fire or
15 explosion thereon, or caused by any failure on the part of the
16 Lessee to maintain the Premises in a safe condition. All
17 property, chattels, fixtures, furnishing, etc., which may belong
18 to the Lessee or to third parties, shall be maintained on the
19 property at the sole risk of the Lessee and the terms and
20 conditions of this indemnity clause shall be applicable hereto
21 and shall hold the Corporation harmless, as set forth herein.

22
23 ARTICLE 30. COVENANT AND ENJOYMENT

24 The Corporation covenants that the Lessee, upon paying the
25 rent required herein and upon fulfilling all the conditions and
26 agreements, required of the Lessee, shall and may lawfully,

MARIANAS PUBLIC LAND CORPORATION
P.O. Box 380
Saipan, Northern Mariana Islands 96950

1 peacefully and quietly have, and hold, use, occupy and possess
2 and enjoy the property during the term agreed upon without any
3 suit, hindrance, eviction, ejection, molestation, or
4 interruption whatsoever of or by the Corporation, or by any other
5 person lawfully claiming by, from, under or against the
6 Corporation.

7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
ARTICLE 31. UNLAWFUL USE AND COMPLIANCE WITH LAWS

The Lessee covenants and agrees not to use or cause or permit be used any part of the Premises for any unlawful conduct or purpose. Lessee agrees to comply with all property, building, health, sanitation, safety and other laws and regulations of the Commonwealth of the Northern Mariana Islands, which are in effect or which may hereafter become effective.

ARTICLE 32. "HOLD OVER" CLAUSE

If the Lessee shall remain in possession after the expiration of the term of this Lease Agreement or the extension thereof, the Lessee shall be a tenant on a month-to-month basis and there shall be no renewal of this Lease Agreement by operation of law or otherwise.

ARTICLE 33. CONDITION OF PREMISES

The Lessee acknowledges that it has examined the Premises prior to the making of this Lease Agreement and knows the conditions thereof and that no representation other than those expressed herein have been made by the Corporation, and the Lessee hereby accepts the Premises in their present condition

MARIANAS PUBLIC LAND CORPORATION
P.O. Box 380
Saipan, Northern Mariana Islands 96950

at the date of execution of this Lease Agreement.

1 ARTICLE 34. PUBLIC AUDITOR

2 The Lease Agreement is subject to 1 CMC Section 7845. The
3 Lessee, its sublessees, successors, and assigns, shall provide,
4 upon request, all records and reports, and shall allow audit,
5 inspection, and access to its books, records,
6 documents, correspondence, and any other data and material
7 relating to this Lease Agreement, to the Public Auditor of the
8 Commonwealth of the Northern Mariana Islands. This right of
9 access and inspections shall continue until the expiration of
10 three (3) years after the final rental payment under the Lease
11 is made.

12 ARTICLE 35. GENERAL PROVISIONS AND DEFINITIONS

13 A. Waiver. No waiver of any default of the Lessee
14 hereunder shall be implied from any omission by the Corporation
15 to take any action on account of such default if such default
16 persists or is repeated, and no express waiver shall affect the
17 default other than the default specified in the express waiver,
18 and that only for the time and to the extent therein stated. One
19 or more waivers of any covenant, term or condition of this Lease
20 Agreement by the Corporation shall not be construed as a waiver
21 of any subsequent breach of the same covenant, term or condition.
22 The consent or approval by the Corporation to or of any act by
23 the Lessee requiring the Corporation's consent or approval shall
24 not be deemed to waiver or render unnecessary the Corporation's
25 consent or approval to or of any subsequent or similar acts by
26

MARIANAS PUBLIC LAND CORPORATION
P.O. Box 380
Saipan, Northern Mariana Islands 96950

the Lessee.

1 B. Agreement Complete. It is hereby expressly agreed that
2 this Lease Agreement together with the exhibits attached hereto
3 contains all of the terms, covenants, conditions and
4 agreements between the parties hereto relating in any manner to
5 the use and occupancy of the Premises, and that the execution
6 hereof has not been induced by either of the parties by
7 representations, promises or understandings not expressed herein
8 and that there are no collateral agreements, stipulations,
9 promises or understandings of any nature whatsoever between the
10 parties hereto relating in any manner to the use and occupancy
11 of the Premises and none shall be valid or of any force or
12 effect, and that the terms, covenants, conditions and provisions
13 of this Lease Agreement cannot be altered, changed, modified or
14 added to except in writing signed by the parties hereto.

15 C. Interpretation. The language in all parts of this shall
16 be in all cases construed simply, according to its fair meaning,
17 and not strictly for or against the Corporation or the Lessee.
18 Captions and paragraph headings contained herein are
19 for convenience and reference only, and shall not be deemed to
20 limit or in any manner restrict the contents of the paragraph
21 to which they relate.

22 D. Concessionaire. For the purpose of this Lease
23 Agreement, any concessionaire of the Lessee shall be deemed to be
24 a sublessee, and all of the provisions of this Lease Agreement
25 applicable to sublessees and subleases shall be equally
26 applicable to the granting of any concession and to

MARIANAS PUBLIC LAND CORPORATION
P.O. Box 380
Saipan, Northern Mariana Islands 96950

concessionaires with the same force and effect as though specially provided therein.

1 E. Government Representative. The authorized representa-
2 tive of the Corporation for the purpose of this Lease Agreement
3 shall be the Executive Director or such other person as the
4 Executive Director may designate in writing.

5 F. Companies Bonding and Insuring. All corporate surety
6 bonds provided by the Lessee in compliance with this Lease
7 Agreement shall be furnished by companies holding certificates of
8 authority from the Secretary of the Treasury of the United States
9 of America as acceptable sureties on Federal bonds. All
10 insurance obtained by the Lessee in compliance with this Lease
11 Agreement shall be obtained from reputable companies acceptable
12 to the Corporation.

13 G. Law Governing. This Lease Agreement shall be governed
14 by the laws of the Commonwealth of the Northern Mariana Islands,
15 both as to the interpretation and performance.

16 H. Gross Receipts. "Gross Receipts", as that term is used
17 herein means all income or revenue whatsoever, including money
18 and any other thing of value, received by or paid to the Lessee,
19 its sublessees or concessionaires, or received by or paid to
20 others for the use and benefit of any of the aforementioned,
21 derived from business done, sales made or services rendered
22 directly from or on the Premises, or derived from the
23 subleasing, subrenting, permitting, contracting, or other use of
24 the Premises or any portion thereof. The Lessee shall not
25 directly, or indirectly, divert from inclusion in Gross Receipts
26

MARIANAS PUBLIC LAND CORPORATION
P.O. Box 380
Saipan, Northern Mariana Islands 96950

any income or revenue whatsoever from the Premises or from any business conducted thereon, to any other business or enterprise located elsewhere. The following items may be deducted from the gross receipts:

- 1) credits for the exchange of goods or merchandise from the Premises to another store or stores owned or operated by the Lessee, its parent or affiliate, where such exchange is made solely for the convenience of business and not for the purpose of consummating a sale previously made directly or indirectly from or upon the Premises;
- 2) to the extent the same shall have been included in "Gross Receipts", there shall be deducted credits to customers for returned merchandise, merchandise trade-ins, exchanges, merchandise cancellations, allowances and discounts, and any and all credits to customers of a similar nature;
- 3) the amount derived from the sale or other disposition of fixtures, goodwill, improvements, furnishings, equipment, accessory, appliance, utensils or any other item of property: (i) which is either sold outside the ordinary course of the Lessee's business; or (ii) which is not acquired or held by the Lessee as a stock-in-trade or inventory for resale in the ordinary course of the Lessee's business;
- 4) to the extent the same has been counted in the "Gross Receipts", there shall be deducted an amount

MARIANAS PUBLIC LAND CORPORATION
P.O. Box 380
Saipan, Northern Mariana Islands 96950

equal to all income or revenue accruing or paid to the Lessee or for its benefit which is derived from the rental, leasing, or grant of facilities on the Premises to any sublessee or concessionaire primarily for the purpose of operating on the Premises a retail or wholesale sales or service facility whose income or revenue is counted as part of the "Gross Receipts" of this Lease Agreement.

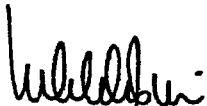
ARTICLE 36. LEASE AGREEMENT BINDING

This Lease Agreement and the covenants, conditions and restrictions hereof shall extend to and be binding upon the parties hereto, their heirs, successors and assigns and to any other person claiming to hold or to exercise any interest by, under or through any of the parties hereto.

IN WITNESS WHEREOF, the parties have executed the Agreement on the date first written above.

MARIANAS PUBLIC LAND
CORPORATION

MICRONESIAN TELECOMMUNICATIONS
CORPORATION

By: 
MARIAN ALDAN-PIERCE
Chairperson
Board of Directors

By: 
ROY N. MORIOKA
General Manager

APPROVED AS TO FORM & LEGALITY:


MPLC Legal Counsel

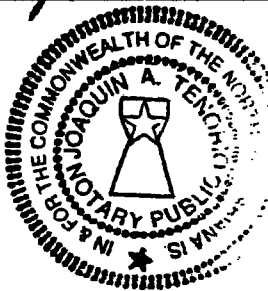
MARIANAS PUBLIC LAND CORPORATION
P.O. Box 380
Saipan, Northern Mariana Islands 96950

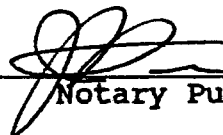
ACKNOWLEDGMENT

COMMONWEALTH OF THE)
NORTHERN MARIANA ISLANDS) SS:
_____)

On this 26th day of September, 1990, before me
EDWARD T. TAKAHASHI
appeared, ~~Ray N. Morioka~~, authorized representative, of Micronesia
Telecommunications Corporation, known to me to be the person
whose name is subscribed to the foregoing Indenture and
acknowledged that he signed and delivered said Indenture as his
free and voluntary act for the purposes therein set forth.

In Witness Whereof, I hereunto set my hand and sealed this
26th day of September, 1990.





Notary Public

JOAQUIN A. TENORIO
Commonwealth of the Northern Mariana Islands
My Commission Expires on the
28th day of Mar. 19 92

MARIANAS PUBLIC LAND CORPORATION
P.O. Box 380
Saipan, Northern Mariana Islands 96950

ACKNOWLEDGMENT

COMMONWEALTH OF THE NORTHERN)
MARIANA ISLANDS) ss.
_____)

The foregoing instrument was acknowledged before me
this 21st day of September, 1990 by Marian Aldan-
Pierce, Chairperson Board of Directors, Marianas Public Land
Corporation, a Commonwealth of the Northern Mariana Islands
Corporation, on behalf of the Corporation.



Bertha T. Camacho
Notary Public

BERTHA T. CAMACHO
Notary Public
Commonwealth of the Northern Mariana Islands
My Commission Expires on the
6th day of February, 1991

MARIANAS PUBLIC LAND CORPORATION
P.O. Box 380
Saipan, Northern Mariana Islands 96950